



Insurance ITS Report Card and Growth Outlook 2018

Insurance – IT Services

Market Report – August 2018: Complimentary Abstract / Table of Contents

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 - **Insurance IT Services**
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More about membership

In addition to a suite of published research, a membership may include

- Price book
- Pinnacle Accelerators
- Data cuts
- Analyst access
- Virtual Roundtables
- Workshops

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Background, scope, and methodology for insurance ITS assessment 2018

Background and context:

- Insurers are pivoting from a product-centric strategy to a customer-centric strategy that includes building personalized and contextual services and responding to customer demands in near real-time
- They are reimagining their business by building a digital-enabled core to provide superior experiences to their customers and delivering sustainable operational efficiencies. Adoption of digital technology themes such as analytics, blockchain, cloud, machine learning, and IoT is lending support to their digital transformation agenda
- Insurance ITS delivery model has changed and this has altered the way IT service providers are engaging with insurers
- The market is pivoting from a labor-arbitrage model to a value-based digital-first model with focus on next generation technology themes
- In this report we analyze the insurance IT services transactions activity, insurance IT market size, growth drivers, and other market trends

Scope of this report



Industry

Insurance: Life, Annuities, and Pension (L&P); Property and Casualty (P&C); and reinsurance



Market segment

ITS market – Third-party IT services transactions; excludes shared services or Global Capability Centers (GCCs)



Geography

Global



Sources

Everest Group's proprietary database of 800+ active, multi-year IT services contracts within insurance industry (updated quarterly) and operational capability of 25+ insurance IT service providers (updated annually through service provider RFIs)

Service providers covered in the analysis



Introduction to the Everest Group proprietary insurance IT services transaction database



Everest Group's Transaction Intelligence database

- Approximately 30,000 transactions listed
- Over 96% transactions post year 2000
- More than 2,500 insurance transactions

Everest Group's RFIs to insurance Application Services(AS) service providers

Participation by over 25 leading service providers

Everest Group's insurance IT services revenue estimations

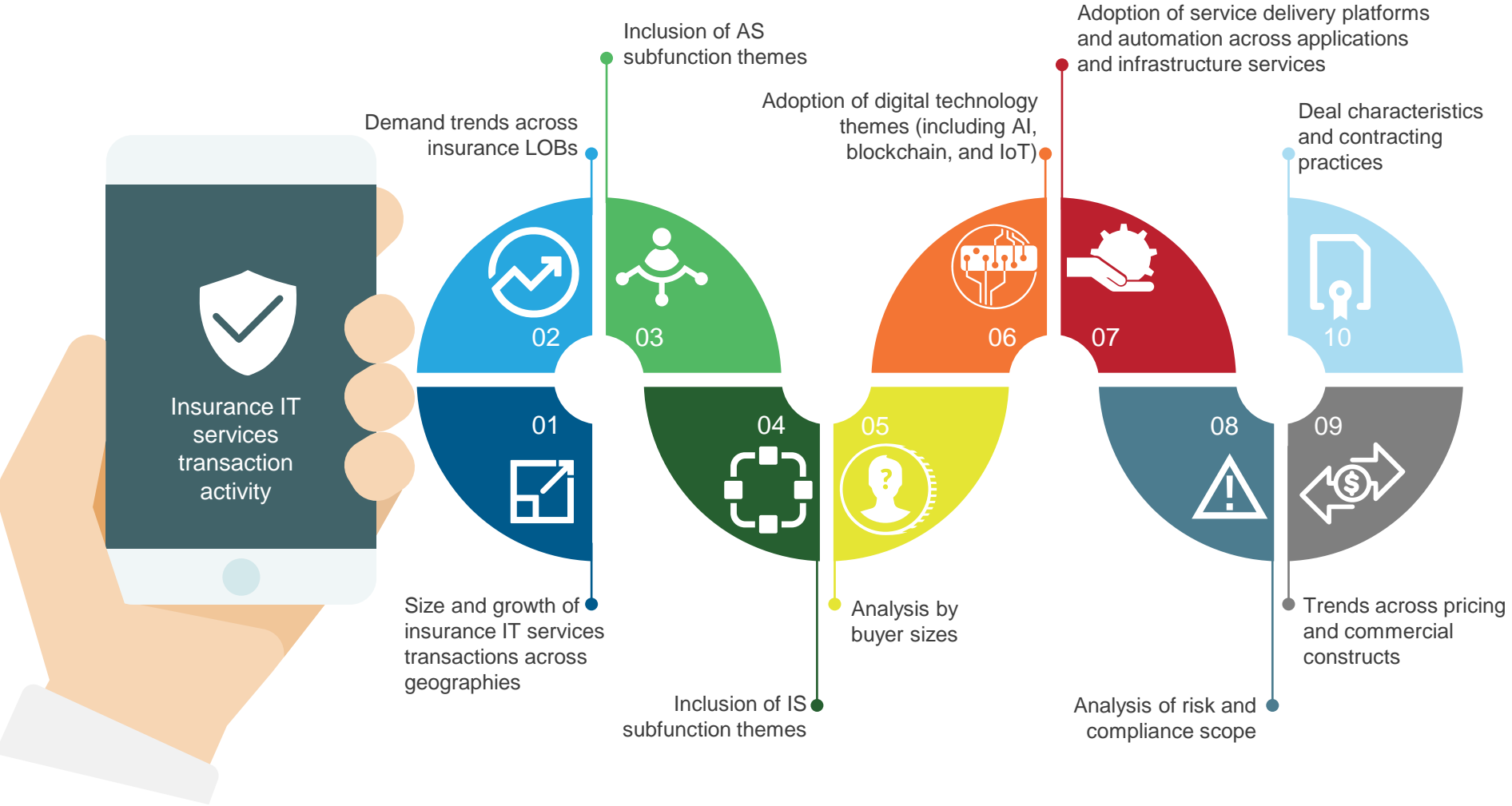
Historical revenue analysis of 25 leading service providers



Insurance
(800+ active transactions)

Size and growth	Scope characteristics	Deal characteristics
<ul style="list-style-type: none"> • Number of transactions • TCV and ACV trends • Deal duration 	<ul style="list-style-type: none"> • AS subfunctions • Infrastructure Services (IS) subfunctions • Insurance LOBs 	<ul style="list-style-type: none"> • Geographic scope • Digital technology themes • Risk and compliance • Automation
		<ul style="list-style-type: none"> • Engagement models • Pricing and commercial models • Transactions by buyer size

In this section, we further slice the insurance IT services market to study the underlying characteristics and market trends



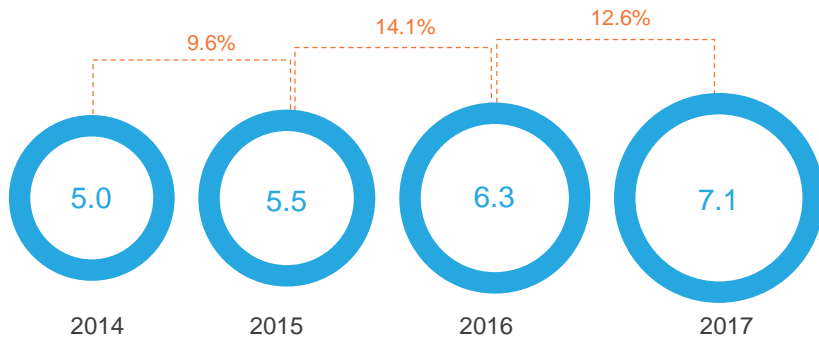
This study offers a deep dive into the insurance ITS market; below are four charts to illustrate the depth of this report

Insurance deals

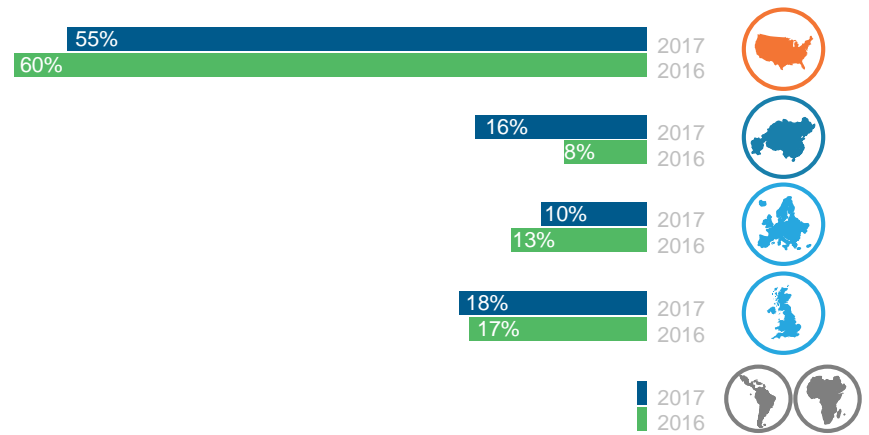
Sum of ACV of active insurance ITS¹ deals from 2014-2017

Total ACV in US\$ billion

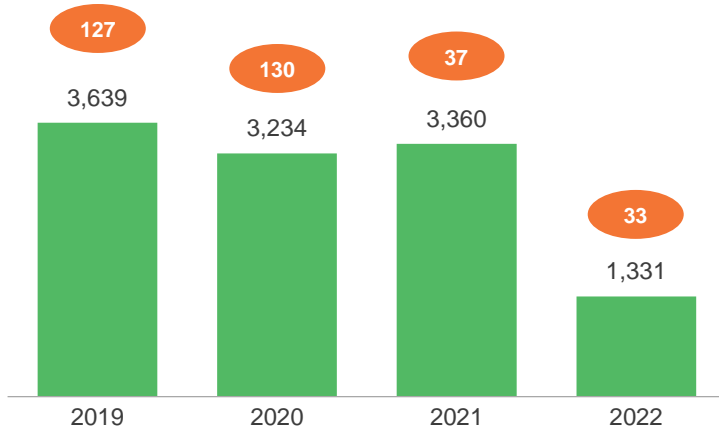
xx% Year-On-Year (YOY) growth rate



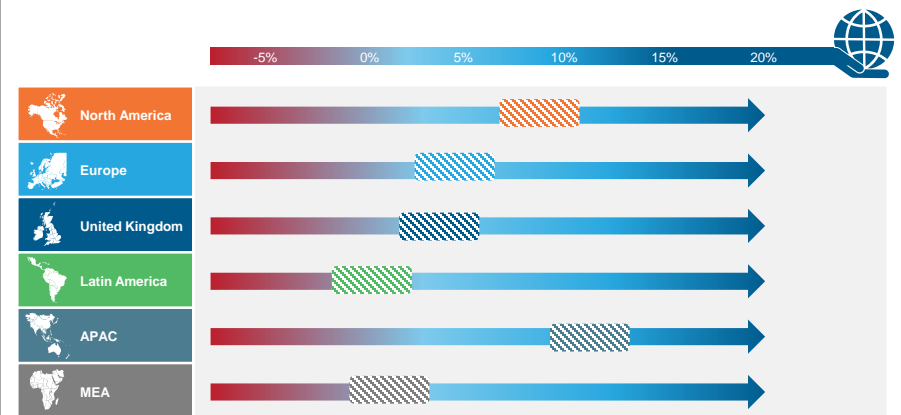
Insurance IT services transactions by signing geography



Analysis of insurance ITS contracts coming up for renewal



Analysis of insurance ITS LOB growth



Research calendar – Insurance IT Services

Published
 Planned
 Current release

Flagship Insurance ITS reports	Release date
Artificial Intelligence (AI) in Insurance Moving from Pilots to Programs: Insurance IT Services Annual Report 2018	April 2018
Application Services in Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2018	June 2018
Guidewire Services: Core Modernization to Set the Stage for Digital Transformation – Services PEAK Matrix™ Assessment 2018	June 2018
Duck Creek Services: Modernization Strategies to Prevent Core Commoditization – Services PEAK Matrix™ Assessment 2018	June 2018
Insurance ITS Report Card and Growth Outlook 2018	August 2018
State of Cloud Adoption in Insurance	Q3 2018
Bundling of Insurance – Rise of Non-traditional Competitors in Insurance or Activation of New Channels?	Q3 2018
Digital Services in L&P Insurance – Service Provider Landscape with PEAK Matrix™ Assessment 2018 and Profiles Compendium	Q4 2018

Thematic Insurance ITS reports

Enterprise Digital Adoption in Insurance Pinnacle Model™ Analysis 2018: A Playbook for Digital Excellence	March 2018
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Note: For a list of all Insurance ITS reports published by us, please refer to our [website page](#).

Additional insurance ITS research references

The following documents are recommended for additional insight on the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest

1. **Insurer of the Future: Insurance ITO Annual Report 2018** ([EGR-2017-11-R-2463](#)); 2017. In this research, we analyze the current trends and the future outlook for large, multi-year application outsourcing relationships for the global insurance sector. The research also captures key movements in volume/value of insurance AO transactions, evolving trends, market dynamics, and emerging priorities of buyers in the last 12 months
2. **Enterprise Digital Adoption in Insurance | Pinnacle Model™ Assessment 2018: A Playbook for Digital Excellence** ([EGR-2017-31-R-2561](#)); 2017. In this report, we understand enterprises' digital strategies by conducting a study of 23 insurance organizations across North America, Europe, the United Kingdom, and Asia Pacific. We identified 18 key dimensions in which enterprises are making investments for digital transformation, and further identified five key dimensions where Digital Pinnacle Enterprises™ in insurance differentiate and reap higher returns
3. **Artificial Intelligence (AI) in Insurance Moving From Pilots to Programs: Insurance IT Services Annual Report 2018** ([EGR-2017-41-R-2614](#)); 2018. In this report, we studied the AI-focused investments by 100 global insurers as they move ahead in their digital transformation journey. Insurance firms are creating a partnership ecosystem with technology and platform providers to build a plug-and-play model. This report will also look at how insurers are now bundling insurance contracts with other products and services to provide a frictionless experience.

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About Everest Group

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